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WISCONSIN ECONOMIC INDICATORS

SEPTEMBER 1990

DILHR

DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCES
L1	Composite Index of Leading Indicators	Wi. Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wi. Dept. of industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wi. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wi. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wi. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wi. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wi. Dept. of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Security Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wi. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wi. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wi. Dept. of Health and Social Services
X2	Death Registrations	Wi. Dept. of Health and Social Services
X3	Natural Net Gain in Population	Wi. Dept. of Health and Social Services
X4	Marriage Registrations	Wi. Dept. of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wi. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wi. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the census Method 11 Seasonal Adjustment Program.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading of coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically.

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WISCONSIN ECONOMIC INDICATORS

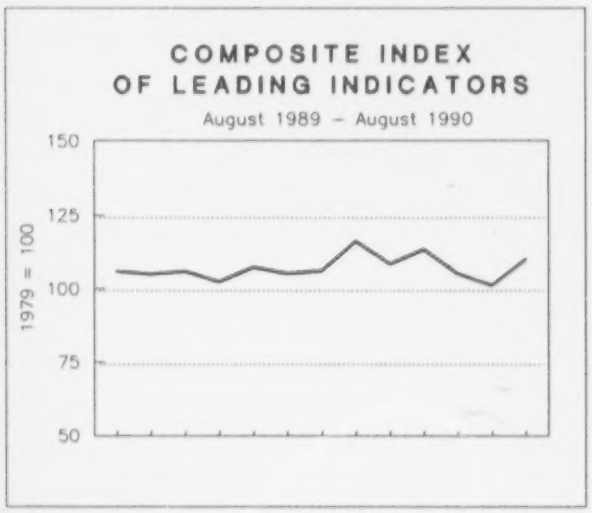
SUMMARY FOR AUGUST

COMPOSITE INDEX

Wisconsin's Composite Index of leading economic indicators bounced back up in August to 110.3 points. While the index one month ago was a low for the year, the 9.0 point increase brought the index to the highest level in three months.

Instrumental in the increase of the index was a large decrease in the weekly average number of initial claims for unemployment compensation. Also boosting the index was growth in the number of commercial and industrial building plans examined.

The only leading indicator with a negative cast this month is the average overtime hours in manufacturing. The overtime average did increase, but at less than the seasonally normal amount for August.



LEADING INDICATORS

Production workers in Wisconsin's manufacturing industries worked more in August than one month earlier. The average workweek in manufacturing lengthened to 41.5 hours, a 0.3 hour increase is a normal seasonal trend.

The average weekly overtime level in manufacturing also increased in August; by 0.2 hours. However, that is below par for this month.

Manufacturing employment grew by 5,000, so it's likely that manufacturers opted to hire workers rather than stretch-out overtime hours. Hiring employees usually indicates a more optimistic economic outlook than increasing the workweek of existing workers.

The average number of weekly initial claims for unemployment compensation decreased by nearly 3,700 in August.

A decrease of about 2,000 would have been normal. The initial claims level is normally at a low level in the summer months and begins a seasonal increase in November.

The number of job openings received by public Job Service offices increased by over 1,700 in August. An increase in the calls for workers is normal this month, but the increase exceeds the usual seasonal growth.

Indicators of business formation and expansion are positive. The number of new business incorporations grew by 167. A growth of less than 20 would be normal for this August.

The net gain of business telephone access lines grew by 781, about normal.

And the number of commercial and industrial building plans examined increased by 156 this month. A slight decrease is seasonally normal.

Section

A WISCONSIN ECONOMIC INDICATORS

	Unit	Monthly Series				% Change		Avg.
		Latest Month		Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago	1989
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	Index	AUGUST	110.3	101.3	106.0	8.9%	4.1%	106.5
L2 AVG. WORK WEEK, MFG.								
Unadjusted	Hours	AUGUST	41.5	41.2	41.4	0.7%	0.2%	41.5
Seasonally Adjusted			41.6	41.5	41.5	0.2%	0.2%	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	Hours	AUGUST	4.3	4.1	4.0	4.9%	7.5%	3.9
Seasonally Adjusted			4.1	4.3	3.8	-4.7%	7.9%	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	Number	AUGUST	5100	8796	5009	-42.0%	1.8%	7425
Seasonally Adjusted			7183	9458	7057	-24.1%	1.8%	
L5 TOTAL JOB OPENINGS RECEIVED								
Unadjusted	Number	AUGUST	9768	8061	11247	21.2%	-13.2%	7383
Seasonally Adjusted			7037	6979	8102	0.8%	-13.1%	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	Number	AUGUST	632	465	582	35.9%	8.6%	602
Seasonally Adjusted			678	512	624	32.4%	8.7%	
L7 NET GAIN IN BUSINESS TELEPHONE ACCESS LINES								
Unadjusted	Number	AUGUST	3354	2573	2849	30.4%	17.7%	2784
Seasonally Adjusted			2752	2753	2511	-0.0%	9.6%	
L8 BUILDING PLANS EXAMINED								
Unadjusted	Number	AUGUST	767	611	687	25.5%	11.6%	610
Seasonally Adjusted			665	508	596	30.9%	11.6%	
COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	Index	AUGUST	71	63	74	12.7%	-4.1%	88
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	Percent	AUGUST	3.7	3.5	3.8	.....	.....	4.4
Seasonally Adjusted			4.2	4.0	4.3	.....	.....	
C3 NATURAL GAS SALES								
Unadjusted	Mil.	JULY	64.2	73.2	54.7	-12.3%	17.4%	201.5
Seasonally Adjusted	Therms		188.3	189.6	160.2	-0.7%	17.5%	
C4 NEW CAR REGISTRATIONS								
Unadjusted	Number	AUGUST	14,515	16,634	15,348	-12.7%	-5.4%	14,665
Seasonally Adjusted			12,678	15,093	13,404	-16.0%	-5.4%	
C5 ELECTRIC POWER SALES								
Unadjusted	Mil.	JULY	3870.4	3557.6	3744.4	8.8%	3.4%	2982.3
Seasonally Adjusted	KWH		3550.8	3410.9	3435.3	4.1%	3.4%	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	Mil. $	FEB	41.8	42.9	42.4	-2.6%	-1.4%	145.7
Seasonally Adjusted			36.6	39.1	37.1	-6.4%	-1.3%	

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A WISCONSIN ECONOMIC INDICATORS

	Unit	Monthly Series				% Change		Avg.
		Latest Month		Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago	1989
C7 MANUFACTURING EMPLOYMENT								
Unadjusted	Thous.	AUGUST	572.7	567.7	568.5	0.9%	0.7%	556.6
Seasonally Adjusted			558.7	557.7	554.8	0.2%	0.7%	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	Dollars	AUGUST	$455.26	$456.91	$440.50	-0.4%	3.4%	$446.49
Seasonally Adjusted			$466.93	$465.29	$451.83	0.4%	3.3%	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	Mil. $	JUNE	472.4	469.1	402.8	0.7%	17.3%	456.8
Seasonally Adjusted			509.1	494.3	433.9	3.0%	17.3%	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	Thous.	AUGUST	91.6	91.1	90.3	0.5%	1.4%	80.8
Seasonally Adjusted			80.6	80.9	79.4	-0.4%	1.5%	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	Number	AUGUST	6474	6493	6574	-0.3%	-1.5%	5761
Seasonally Adjusted			6073	6160	6166	-1.4%	-1.5%	
X2 DEATH REGISTRATIONS								
Unadjusted	Number	AUGUST	3276	3634	3262	-9.9%	0.4%	3425
Seasonally Adjusted			3430	3766	3415	-8.9%	0.4%	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	Number	AUGUST	3198	2859	3312	11.9%	-3.4%	2336
Seasonally Adjusted			2587	2401	2679	7.7%	-3.4%	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	Number	AUGUST	4511	4556	4446	-1.0%	1.5%	3353
Seasonally Adjusted			3094	3546	3050	-12.7%	1.4%	
X5 CONSUMER PRICE INDEX			(Jun '90)	(Dec '89)	(Jun '89)			
Unadjusted (1982-1984 = 100)	Index	JUNE	123.9	121.2	120.3	2.2%	3.0%	120.8
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	Index	AUGUST	159	160	147	-0.6%	8.2%	149
Seasonally Adjusted			159	163	147	-2.5%	8.2%	
X7 NET GAIN IN RESIDENTIAL TELEPHONE ACCESS LINES								
Unadjusted	Number	AUGUST	8283	78	3392	10519.2%	144.2%	1853
Seasonally Adjusted			3867	3365	1606	14.9%	140.8%	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	Number	AUGUST	310	310	71	0.0%	336.6%	375
Seasonally Adjusted			320	459	73	-30.3%	338.4%	
X9 UNEMPLOYMENT COMPENSATION EXHAUSTEES								
Unadjusted	Number	AUGUST	9,852	10,590	11,001	-7.0%	-10.4%	10436
Seasonally Adjusted			9,678	9,833	10,804	-1.6%	-10.4%	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES AUGUST	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
Unadjusted					
CIVILIAN LABOR FORCE	2614.6	2617.9	2618.6	-0.1%	-0.2%
Employment (incl. Labor Disputes)	2518.6	2524.9	2519.7	-0.2%	-0.0%
Unemployment	95.9	92.9	98.9	3.2%	-3.0%
Unemployment Rate	3.7%	3.5%	3.8%	.....	.....
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2592.7	2561.3	2597.2	1.2%	-0.2%
Employment (incl. Labor Disputes)	2483.8	2458.5	2484.9	1.0%	-0.0%
Unemployment	108.9	102.8	112.3	5.9%	-3.0%
Unemployment Rate	4.2%	4.0%	4.3%	.....	.....

WISCONSIN EMPLOYMENT ESTIMATES AUGUST Unadjusted	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	2290.3	2283.7	2249.9	0.3%	1.8%
Contract Construction	91.6	91.1	90.3	0.5%	1.4%
Manufacturing	572.5	567.5	568.4	0.9%	0.7%
Transportation, Communication and Public Utilities	100.5	99.5	99.2	1.0%	1.3%
Electric, Gas and Sanitary Services	17.7	17.7	17.8	0.0%	-0.6%
Wholesale Trade	124.7	125.1	120.1	-0.3%	3.8%
Retail Trade	428.9	427.8	424.0	0.3%	1.2%
General Merchandise	50.1	50.7	51.6	-1.2%	-2.9%
Food Stores	64.2	64.0	62.9	0.3%	2.1%
Auto Dealers & Service Stations	46.6	46.3	45.3	0.6%	2.9%
Finance, Insurance and Real Estate	122.5	122.3	119.7	0.2%	2.3%
Banks & Depository Institutions	40.3	40.1	39.7	0.5%	1.5%
Insurance Carriers	43.1	43.1	42.0	0.0%	2.6%
Service and Miscellaneous	529.9	527.8	515.7	0.4%	2.8%
Business Services	81.1	80.7	81.1	0.5%	-0.5%
Health Services	185.1	184.0	176.9	0.6%	4.0%
Hospitals	78.1	78.1	74.8	0.0%	4.4%
Private Education	22.4	22.3	22.9	0.4%	-2.2%
Social Services	41.7	41.6	39.0	0.2%	6.9%
Government	316.9	320.0	310.0	-1.0%	2.2%
State Government	82.0	81.6	79.6	0.5%	3.0%
Local Government	204.0	207.5	200.8	-1.7%	1.6%

UNITED STATES LABOR FORCE ESTIMATES SEPTEMBER	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	124,967	124,660	124,023	0.2%	0.8%
Employment (incl. Labor Disputes)	117,898	117,658	117,419	0.2%	0.4%
Unemployment	7,069	7,003	6,604	0.9%	7.0%
Unemployment Rate	5.7%	5.6%	5.3%	.....	.....

MANUFACTURING EMPLOYMENT Unadjusted AUGUST	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
All Manufacturing	572.5	567.5	568.4	0.9%	0.7%
Durable Goods	335.9	333.9	336.6	0.6%	-0.2%
Lumber and Wood Products (Excl. Furniture)	28.1	28.0	27.4	0.4%	2.6%
Millwork, Plywood & Related	15.6	15.7	15.2	-0.6%	2.6%
Furniture and Fixtures	12.6	12.5	12.5	0.8%	0.8%
Stone, Clay, and Glass Products	8.5	8.5	8.2	0.0%	3.7%
Primary Metal Industries	22.1	22.1	22.4	0.0%	-1.3%
Iron and Steel Foundries	11.6	11.7	11.7	-0.9%	-0.9%
Fabricated Metal Products	60.0	60.3	58.7	-0.5%	2.2%
Fabricated Structural Metal Products	14.2	14.2	14.0	0.0%	1.4%
Metal Stampings	12.6	12.6	12.2	0.0%	3.3%
Industrial Machinery	108.9	107.8	108.7	1.0%	0.2%
Engines and Turbines	14.5	13.7	15.0	5.8%	-3.3%
Farm & Garden Machinery	12.4	11.9	11.7	4.2%	6.0%
Construction & Related Machinery	12.8	12.9	12.5	-0.8%	2.4%
Metalworking Machinery	16.5	16.4	15.9	0.6%	3.8%
Special Industry Machinery	13.4	13.4	13.7	0.0%	-2.2%
Gen. Industrial Mach. and Equip.	14.0	14.0	13.6	0.0%	2.9%
Electronic & Other Electrical Machinery	36.5	36.6	38.3	-0.3%	-4.7%
Electrical Industrial Apparatus	13.3	13.3	13.7	0.0%	-2.9%
Transportation Equipment	27.1	26.0	28.0	4.2%	-3.2%
Motor Vehicles and Equipment	19.0	18.1	20.1	5.0%	-5.5%
Instrument and Related Products	20.8	21.0	21.3	-1.0%	-2.3%
Miscellaneous Manufacturing	11.4	11.2	11.0	1.8%	3.6%
Nondurable Goods	236.6	233.6	231.8	1.3%	2.1%
Food and Kindred Products	73.8	70.6	73.9	4.5%	-0.1%
Meat Products	15.5	15.7	15.5	-1.3%	0.0%
Dairy Products	17.7	17.6	17.9	0.6%	-1.1%
Preserved Fruits & Vegetables	21.9	18.6	21.5	17.7%	1.9%
Textile Mill Products	4.2	4.2	4.4	0.0%	-4.5%
Apparel and Other Textiles	7.3	7.4	7.2	-1.4%	1.4%
Paper and Allied Products	52.3	52.6	51.6	-0.6%	1.4%
Paper Mills	31.6	31.9	31.1	-0.9%	1.6%
Printing, Publishing and Allied Products	47.6	47.7	46.2	-0.2%	3.0%
Newspapers	13.3	13.1	12.8	1.5%	3.9%
Commercial Printing	22.2	22.3	21.5	-0.4%	3.3%
Chemicals and Allied Products	10.9	10.9	10.9	0.0%	0.0%
Rubber and Misc. Plastics Products	33.6	33.3	30.5	0.9%	10.2%
Miscellaneous Plastics Products	27.3	27.1	24.5	0.7%	11.4%
Leather & Leather Products	6.6	6.7	6.7	-1.5%	-1.5%

Section

C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS Unadjusted AUGUST	Average Weekly Earnings			Average Weekly Hours		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing	$455.26	$456.91	$440.50	41.5	41.2	41.4
Durable Goods	453.87	459.95	443.72	41.0	41.4	41.2
Lumber and Wood Products (Excl. Furniture)	331.27	335.07	325.17	40.3	39.7	39.8
Furniture and Fixtures	363.51	365.08	368.51	40.3	40.7	42.8
Stone, Clay, and Glass Products	498.42	490.45	502.15	46.8	46.4	48.8
Primary Metal Industries	467.87	459.67	450.91	41.7	41.3	42.7
Iron and Steel Foundries	497.29	490.84	469.35	44.6	44.3	44.7
Fabricated Metal Products	442.39	438.78	415.94	41.5	41.2	40.5
Fabricated Structural Metal Products	461.54	469.75	442.88	43.5	44.4	42.3
Metal Stampings	444.72	435.64	450.17	40.8	40.3	41.3
Industrial Machinery	528.15	524.60	501.50	42.8	43.0	42.5
Engines and Turbines	541.11	603.00	506.34	39.7	45.0	38.8
Farm & Gardem Machinery	523.75	484.04	527.18	41.8	41.3	43.0
Construction & Related Machinery	630.74	619.62	546.35	47.0	46.0	44.6
Metalworking Machinery	551.55	554.17	542.59	42.2	42.4	43.2
Special Industry Machinery	554.12	539.28	518.52	43.7	42.8	43.5
Gen. Industrial Mach. and Equip.	448.56	425.32	435.87	42.0	40.2	42.4
Electronic & Other Electrical Machinery	402.40	400.72	382.48	40.2	40.6	39.8
Electrical Industrial Apparatus	422.71	418.59	401.79	41.0	40.6	40.3
Transportation Equipment	492.45	592.41	562.65	35.1	40.3	39.1
Instrument and Related Products	439.09	447.88	439.96	39.1	39.6	39.6
Nondurable Goods	458.53	451.25	433.68	42.3	40.8	41.5
Food and Kindred Products	403.42	400.39	387.50	42.6	40.2	41.4
Meat Products	395.65	389.08	372.71	41.0	39.5	40.6
Dairy Products	426.78	424.69	401.60	41.8	41.8	40.2
Textile Mill Products	376.65	356.59	368.19	40.5	39.1	44.2
Apparel and Other Textiles	277.20	279.57	262.33	38.5	39.1	37.8
Paper and Allied Products	625.59	625.87	603.40	45.3	44.2	45.3
Paper Mills	684.74	687.81	648.11	46.9	45.4	45.9
Printing, Publishing and Allied Products	499.70	460.97	446.56	41.4	38.9	39.8
Chemicals and Allied Products	427.73	426.26	402.38	39.9	40.1	39.8
Rubber and Misc. Plastics Products	367.43	359.39	342.86	40.2	39.8	39.5
Leather & Leather Products	280.74	292.73	261.10	39.1	40.1	37.3

AVERAGE HOURLY EARNINGS Unadjusted AUGUST	Including Overtime			Excluding Overtime		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$10.97	$11.09	$10.64	$10.42	$10.56	$10.14
Durable Goods	11.07	11.11	10.77	10.57	10.63	10.34
Lumber and Wood Products (Excl. Furniture)	8.22	8.44	8.17	7.95	8.15	7.86
Furniture and Fixtures	9.02	8.97	8.61	8.71	8.66	8.38
Stone, Clay, and Glass Products	10.65	10.57	10.29	9.77	9.78	9.46
Primary Metal Industries	11.22	11.13	10.56	10.62	10.53	9.97
Iron and Steel Foundries	11.15	11.08	10.50	10.45	10.41	9.81
Fabricated Metal Products	10.66	10.65	10.27	9.98	9.96	9.84
Fabricated Structural Metal Products	10.61	10.58	10.47	10.06	10.00	9.97
Metal Stampings	10.90	10.81	10.90	10.45	10.40	10.47
Industrial Machinery	12.34	12.20	11.80	11.77	11.72	11.31
Engines and Turbines	13.63	13.40	13.05	13.26	13.34	12.84
Farm & Garden Machinery	12.53	11.72	12.26	12.06	11.33	11.85
Construction & Related Machinery	13.42	13.47	12.25	12.62	12.78	11.78
Metalworking Machinery	13.07	13.07	12.56	12.47	12.48	11.98
Special Industry Machinery	12.68	12.60	11.92	11.96	12.00	11.25
Gen. Industrial Mach. and Equip.	10.68	10.58	10.28	10.29	10.21	9.78
Electronic & Other Electrical Machinery	10.01	9.87	9.61	9.68	9.56	9.34
Electrical Industrial Apparatus	10.31	10.31	9.97	9.99	10.04	9.79
Transportation Equipment	14.03	14.70	14.39	13.66	14.25	13.92
Instrument and Related Products	11.23	11.31	11.11	10.98	10.97	10.69
Nondurable Goods	10.84	11.06	10.45	10.24	10.47	9.87
Food and Kindred Products	9.47	9.96	9.36	8.87	9.36	8.76
Meat Products	9.65	9.85	9.18	9.16	9.37	8.66
Dairy Products	10.21	10.16	9.99	9.75	9.66	9.51
Textile Mill Products	9.30	9.12	8.33	8.96	8.82	7.86
Apparel and Other Textiles	7.20	7.15	6.94	6.96	6.92	6.80
Paper and Allied Products	13.81	14.16	13.32	13.05	13.39	12.56
Paper Mills	14.60	15.15	14.12	13.84	14.33	13.34
Printing, Publishing and Allied Products	12.07	11.85	11.22	N.A.	N.A.	N.A.
Chemicals and Allied Products	10.72	10.63	10.11	10.31	10.20	9.77
Rubber and Misc. Plastics Products	9.14	9.03	8.68	8.75	8.66	8.34
Leather & Leather Products	7.18	7.30	7.00	6.88	6.97	6.79

Section

C

SUMMARY OF AREA DATA

MANUFACTURING EMPLOYMENT Unadjusted AUGUST	(In Thousands)			% Change	
	Latest Month	Mo. Ago	Yr. Ago	Mo. Ago	Yr. Ago
United States	19168.0	19064.0	19519.0	0.5%	-1.8%
Wisconsin	572.5	567.5	568.4	0.9%	0.7%
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	55.6	55.6	55.6	0.0%	0.0%
Eau Claire (Eau Claire-Chippewa)	10.9	10.8	11.8	0.9%	-7.6%
Green Bay (Brown County)	26.0	25.6	26.0	1.6%	0.0%
Janesville-Beloit (Rock Co.)	17.8	17.7	17.9	0.6%	-0.6%
Kenosha (County)	9.6	8.7	10.1	10.3%	-5.0%
La Crosse (County)	10.1	10.1	10.6	0.0%	-4.7%
Madison (Dane County)	26.6	26.5	25.6	0.4%	3.9%
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	173.4	173.0	173.2	0.2%	0.1%
Racine (County)	25.9	25.2	26.3	2.8%	-1.5%
Sheboygan (County)	23.2	23.2	22.7	0.0%	2.2%
Wausau (Marathon County)	15.7	15.7	15.5	0.0%	1.3%

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) AUGUST	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings			
							Incl. Overtime		Excl. Overtime	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Latest Month	Month Ago
United States	$443.36	$440.64	$427.81	40.9	40.5	40.9	$10.84	$10.88	.....	.....
Wisconsin	455.26	456.91	440.50	41.5	41.2	41.4	10.97	11.09	10.42	10.56
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	517.00	515.70	495.75	43.3	43.3	42.7	11.94	11.91	11.34	11.30
Eau Claire (Eau Claire-Chippewa)	511.13	522.55	489.05	43.5	45.4	43.9	11.75	11.51	11.19	10.92
Green Bay (Brown County)	488.33	508.80	449.77	42.5	40.0	41.0	11.49	12.72	10.81	11.94
Janesville-Beloit (Rock Co.)	426.70	426.60	496.47	36.1	36.0	39.0	11.82	11.85	11.29	11.32
Kenosha (County)	509.60	461.47	493.43	41.6	41.8	42.5	12.25	11.04	11.59	10.59
La Crosse (County)	399.50	402.52	380.29	40.6	41.2	40.2	9.84	9.77	9.48	9.39
Madison (Dane County)	424.92	427.46	413.83	41.7	41.3	41.3	10.19	10.35	9.72	9.93
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	492.71	495.46	478.67	41.3	41.6	41.3	11.93	11.91	11.31	11.32
Racine (County)	460.49	434.34	448.26	39.8	39.2	40.9	11.57	11.08	11.07	10.69
Sheboygan (County)	460.51	449.82	452.17	43.2	42.0	42.9	10.66	10.71	10.15	10.29
Wausau (Marathon County)	472.14	467.41	439.26	43.0	43.0	42.4	10.98	10.87	10.37	10.30

THE POPULATION FACTOR IN EMPLOYMENT GROWTH

Limits to employment exist, but Wisconsin still has room for growth

by Joseph Tumpach, Jr.

Employment growth, over the long term, has fairly well kept pace with the growth of the labor force, both nationally and within Wisconsin. Certainly, there have been periods of growing and ebbing unemployment when the economy expanded and contracted. The labor market fluctuates along with the business cycle. But, on the whole, employment growth in the last 20 years accommodated a surge in the working-age population along with a surge of job seekers resulting from the increasing labor force participation rates of women of all ages. Together, these two trends added nearly 40,000 workers per year to our state's labor force.

Can employment growth roll along indefinitely, or are there limits? Even population may not set constrictions, considering the propensity of workers to migrate to job growth areas. Although labor-related migration into the state cannot be predicted, existing residential population can be examined. Untapped employment growth potential can be determined by comparing Wisconsin to the nation as a whole, if one examines the employment level for a given working employment level for a given working-age population, 16 years old and over. It can be said that total employment, as well as employment in specific industries, will not have reached full potential in the state if the ratio of employment to the working-age population is below the national ratio.

The economy, and each specific industry, needs a certain level of population to supply the labor for the production of goods and services. While technological advancement does alter the labor need, technological change is gradual enough to allow labor comparisons for specific years.

The total employment level and the employment level in specific industries is known. Employers in every state are required to report the number of their employees to state unemployment compensation departments. In 1988, the latest year for which national figures are available, for every 1.63 persons in the U.S. of working-age population, one person is employed. In Wisconsin, in the same year, the ratio of resident labor-age population to employed workers amounted to a 1.61 figure. Wisconsin, in that year, had a larger share of its population employed than the nation as a whole. The ratio might seem extremely close. But had Wisconsin matched the U.S. ratio, it would have had nearly 30,000 fewer employed in the state.

Doing the analysis from another perspective, the ratio of working-age population to the number of business firms can be examined. The 1988 population throughout the U.S. averaged 29.7 persons for each business firm. And in Wisconsin, the population averaged 31.3 per firm.

A larger portion of the working-age population of Wisconsin was employed than was of the nation as a whole. That does not look like an indicator of employment growth. However, Wisconsin has room for growth in the number of business firms. The number of firms employing Wisconsin residents is less than the national average for an equal population segment. The message here is that the state ought to be able to increase business firm growth and, at the same time, to automatically increase the employment concentration.

The employment and firm concentration ratios vary widely when industry groups are considered. In the manufacturing sector in the U.S., for every 8.79 persons in the working-age population, one is employed in manufacturing. In Wisconsin, one person is employed in manufacturing for every 6.10 persons in the working-age population. Wisconsin, thus, has a high concentration of manufacturing employes among its population. And the concentration of firms in the state is greater than the nation as a whole.

Construction employment within Wisconsin, on the other hand, has plenty of room for expansion. If the labor-age population to employment ratio and the labor-age population to number of construction firms in Wisconsin equalled the U.S. ratio, the state would have had over 23,000 more construction employees and over 800 more construction firms than it did in 1988. Construction activity, of course, depends on a multitude of factors; among them, the availability of mortgage money. Thus, employment growth in construction depends on more than labor supply.

Wisconsin employment in the broad industry classification of transportation, communication, and public utilities is less dense than the national average, but it has more firms per unit of working-age population. Businesses in these industries tend to need large amounts of capital investment, but since Wisconsin had a greater than average share of firms, employment growth could result from increasing firm size.

Wholesale and retail trade as a group is well developed in Wisconsin, having both a higher concentration of employment and a higher concentration of firms than the nation.

An industry group in which Wisconsin could expand to national concentrations is the finance, insurance, and real estate group. Both the employment concentration and the number of firms per population is smaller than the national average. A gain of over 17,000 employed and of over 1,100 firms would have resulted if employment concentration and firm numbers in the state were on a par with the national averages.

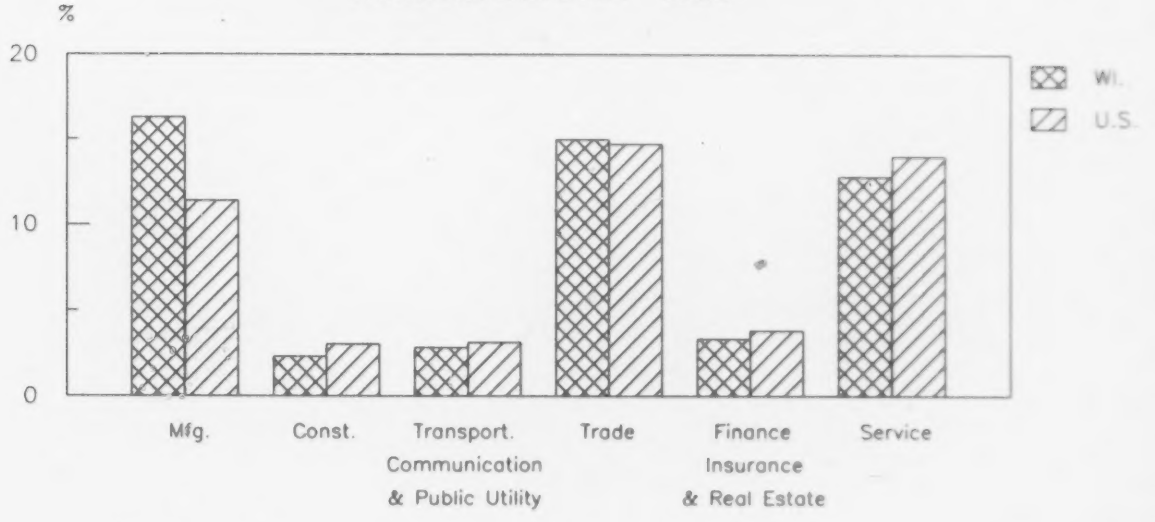
Another industry group with potential for growth in Wisconsin is the services industry. A large difference in the concentration of the number of firms exists. Throughout Wisconsin in 1988, one service industry firm existed for every 109.7 working-age people. In the country, at the same time, one firm existed for every 87.4 working-age people. By our analysis, over seventy-eight hundred more firms would have been possible.

The ratios discussed in our analysis, the concentration of employment and the concentration of business firms among working-age populations, are not constants. The ratios do vary from year to year.

Intervening factors intrude. The ratio of firms or employment to working-age population may, for example, change if technological improvements permit greater production with fewer employes.

In determining whether an area's industries have reached full capacity, the ratios of the employment level and of the ratio of firms within the area to the same ratios for the nation as a whole are relied upon. That does tell us in which industries the state, or area, excels. However, the ratios do not explain why an area dominates specific industries. In those state industries with lower than average ratios, compared to the nation, other states must have above average ratings. For Wisconsin to gain strength in those industries would mean interstate competition. State policy makers, both in private industry and in government, would need to evaluate which is better: to build more national competitiveness in the state's average or less-than-average industries, or to build even more strength in already strong industries, and so, specialize. Indeed, there may be room for both strategies.

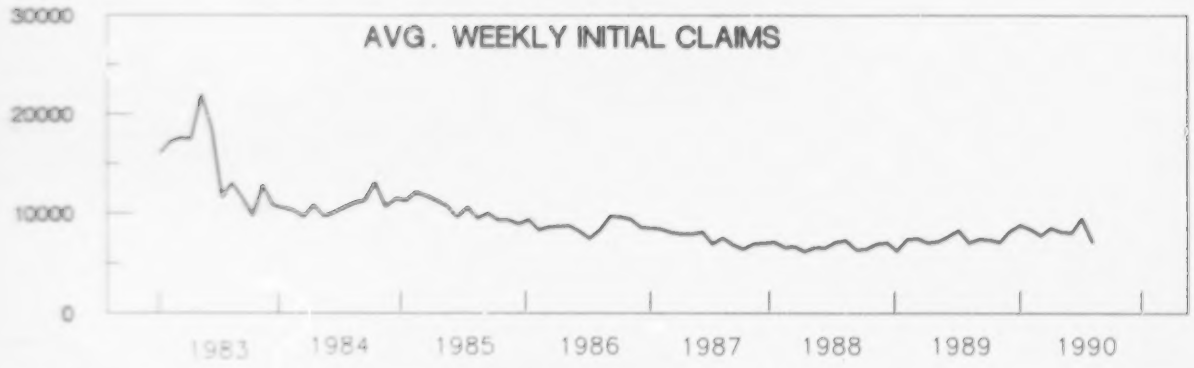
Employment Percent of Working-age Population
Wisconsin and U.S. 1988

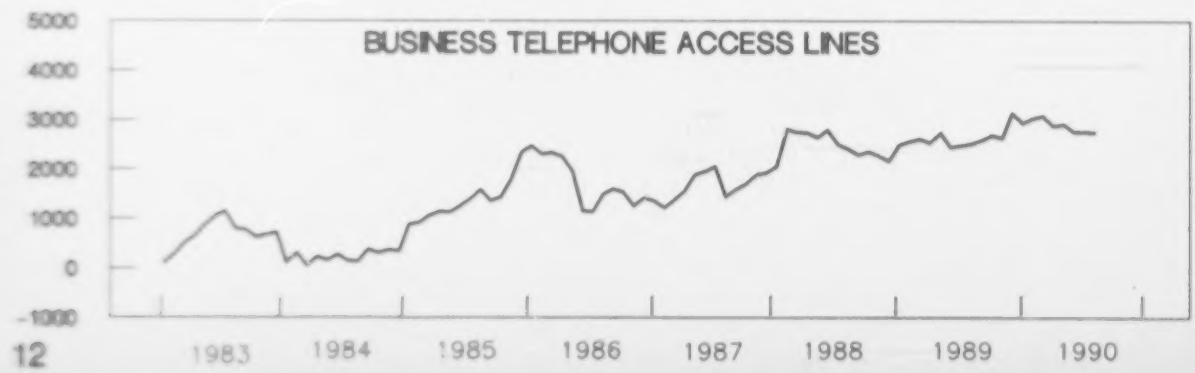


Section

D

CYCLICAL INDICATORS





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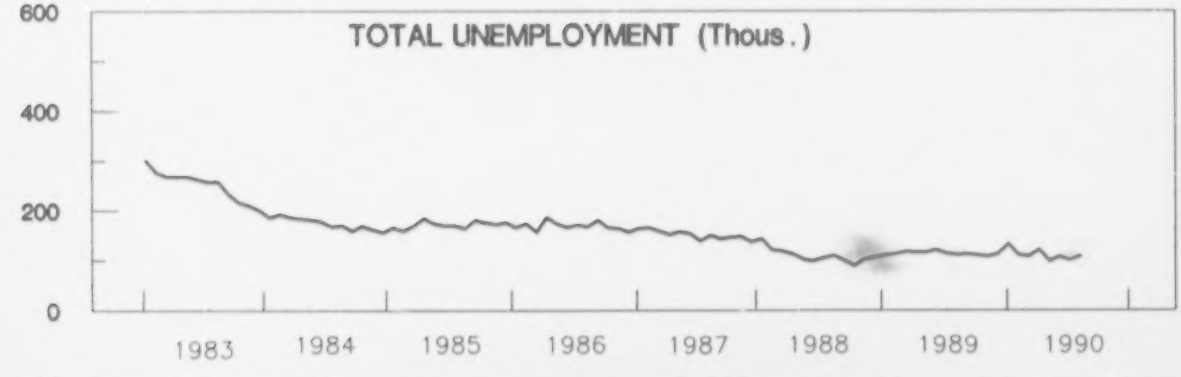

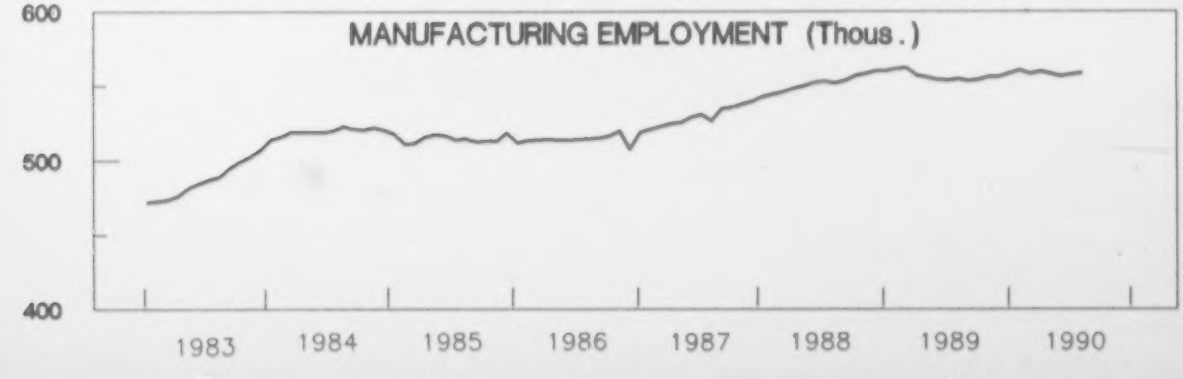

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